

FINANCE & FINANCIAL SERVICES COMMITTEE
of the
Suffolk County Legislature
Minutes

A regular meeting of the Finance & Financial Services Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Auditorium of the William H. Rogers Building, Veterans Memorial Highway, Smithtown, New York, on **March 26, 2001**.

Members Present:

Legislator Michael Caracciolo - Chairman
Legislator Maxine Postal - Vice-Chairperson
Legislator Martin Haley - Member
Legislator Cameron Alden - Member

Also In Attendance:

Paul Sabatino - Counsel to the Legislature
Ellen Martin - Aide to P.O. Tonna
Fred Pollert - Budget Review Office
Lance Reinheimer - Budget Review Office
Tom Cunningham - Budget Review Office
Ken Knappe - County Executive's Office
Todd Johnson - County Executive's Office
Debra Kolyer - County Executive's Office
Charles K. Stein - Suffolk County Community College
Dennis Wrynn - Suffolk County Community College
Salvatore J. LaLima - Suffolk County Community College President
Ellen Schuler Mauk - Suffolk Community College Faculty Association
Tom Breeden - Suffolk County Community College Guild
Eric Ricioppo - Suffolk County Community College
John J. Foley - Trustee of Suffolk County Community College
Michael Sacca - Board of Trustees/Suffolk County Community College
All Other Interested Parties

Minutes Taken By:

Patricia Patriss - Court Stenographer
(*The meeting was called to order at 10:15 A.M.*)

CHAIRMAN CARACCIOLO:

Okay. The Chair is going to call the Finance Committee to order. Will all members return to the auditorium. Would everybody please rise for the Pledge of Allegiance?

Salutation

At this time the Chair would like to invite President LaLima, Chairman Sacca, and the other members of the Board of Trustees that would like to address the Committee this morning. Good morning, Sal. Sal, will you be making prepared remarks or --

MR. LA LIMA:

Just briefly. I'll probably let most of the detail and technical stuff be handled through Charles Stein and perhaps a few things that are not so quite so technical some of our Board Members may want to add to.

CHAIRMAN CARACCIOLO:

Okay, the Chair will note that there are other board members present. I see Mr. Hazlitt, Mr. Foley. Did I miss someone else back there? Okay. I thank you for joining us. Okay, Sal.

MR. LA LIMA:

Let me just begin very briefly. The current financial situation as opposed to next year's budget because we're dealing with both issues at the moment, as you know, the last time we were here we went through the steps we've taken to mitigate any potential shortfall or perhaps a better way to put it is over expenditure of our funds, and we're monitoring that. It's still early in terms of monitoring it to a point where we can be a hundred percent certain. But the indications are that the plan is moving in the right direction. Again, some of the things we did were to reduce expenditures. In the payroll side we made sure our academic people paired the schedule down to what board limits normally require. And that is classes of twelve or more.

We put some holds in some spending areas and supplies and equipment not totally curtailing it, but just putting some limits there so that we could be sure we would not run into a deficit situation. We reduced business travel to only very essential business travel and on the other side we've been attempting to build up revenues through any of the ancillary activities at the college. Particularly, the facility at the western campus where we bring in significant amounts of rental and fee income, and those pieces seem to be coming along. We'll be monitoring that further of course to see just how well that is meeting our objectives.

I don't know if Mr. Stein wants to add any technical details to that.

CHAIRMAN CARACCIOLO:

Before you respond, Chuck, what I think the Committee and the Legislature would like to know is in terms of a plan has that plan been shared with the Budget Director and the County Legislature's Office of Budget Review? Do we know essentially what steps you are taking, what time tables and goals you'd like to achieve?

MR. LA LIMA:

I believe that information was shared because the last time I was here we received a report I think from Fred, which outlined the information and I believe had comments from the Budget Review Office as well.

CHAIRMAN CARACCIOLO:

Okay, Fred, do you want to put some something on the record regarding that?

MR. POLLERT:

Tom Cunningham of our office has been in contact with the Community College, has the most current versions of their budget forecasts, which currently show that they should wind up, if all the actions come about with a surplus of approximately four hundred and four thousand dollars. That is not to say however, that Legislative intervention will not be required. In a large part how they're balancing out their objective short fall is through additional revenues which they cannot expend. It would require a super majority vote of the Legislature to create appropriations by transferring money from their reserve account, and then hopefully replenishing that reserve account when those additional revenues come in.

So that was an item, which we had advised the Legislature of in our memorandum of February 13th. That continues to be the case. Legislative intervention will be required with a super majority vote to create necessary appropriations so that they can meet payroll and other expenses throughout the year.

CHAIRMAN CARACCILO:
Could you elaborate?

MR. POLLERT:

The Suffolk County Charter as well as New York State Law does not allow the expenditure of unanticipated revenues. You can only appropriate or spend additional revenues when all of your revenues are actually realized. Because of accruals and time delays even though they are anticipating they're going to have additional revenues coming in they will not be in before the end of the school year for the community college. So they have no ability to spend those revenues unless the County Legislature transfers funds from the reserve account.

So it's kind of like part of the reason the State laws configured that way is for instance if you have one revenue like OTB revenues coming in higher than budgeted, but you have shortfalls and sales tax, it was to prevent municipalities from taking the surpluses and spending them without looking at the budget as a whole. So because of that it applies to all municipalities in the State of New York, but the Suffolk County Charter also requires that you cannot appropriate additional revenues until all the revenues have actually been received.

CHAIRMAN CARACCILO:

When the President and the Chairman and other trustees were here a month or so ago, a month and a half ago, the Chair requested that at this time we'd like to see a plan. Has there been a plan prepared? Has it been distributed? What means have you used at your disposal in-house to advise the various Vice Presidents and faculty administrators of exactly what the goals and objectives are? Is this verbally done or is it in writing somewhere?

MR. LA LIMA:

Well, it's a combination. We meet with our Vice President and our executive, campus executive deans weekly and of course at each meeting we update where we are and the kinds of action that may have to be taken, or if we identify new problems, discuss possibly how we might address those new problems. And of course this current situation that we were projecting out to August occurred in late December and into January. And we immediately began discussing what the problems were, what cause -- at least what might be the causes of this projected deficit, and what steps could we take to make sure it didn't occur. And we agreed on a couple of things.

First of all, we recognized that where our financial people were pointing, the primary problem was in the payroll and we were trying to find out why that was happening. One thing that we suspect is that the support of for technology is driving costs faster than we had hoped.

It's not just the cost of technology because when we buy computers it's one thing, but then you have to support them and one of the areas that we see the growth occurring faster than we'd like is the part time professional assistants. They're hired by the academic people to provide services and obviously with the growth and technology there's been greater and greater need for that kind of support. It's two types of support. It's support for the hardware itself, actually three types, support for the hardware, support for the software, and three, support for the students and staff because they frequently need people to come in to advise them how to use either the equipment or the software, and sometimes to debug certain problems that occur.

And so that's an area where we are very concerned because the numbers and the rates of pay are both high and we're trying to find out how we can bring that down without bringing ourselves to a point where we can't keep up with the needs for current technology.

CHAIRMAN CARACCIOLO:

Let me interrupt you on that point.

MR. LA LIMA:

Yeah.

CHAIRMAN CARACCIOLO:

Could you elaborate as to what the additional impacts have been with regard to staff and support services with regard to run the program, the technical programs that have exceeded your forecast and projections?

MR. LA LIMA:

My recollection is that in the projected part-time area we were

looking at a one point one million dollar negative balance as of -- well, I shouldn't say as of, but projected out to August, am I correct Chuck?

MR. STEIN:

Yes.

MR. LA LIMA:

So that was the biggest part of the problem right there, and we began looking at that and of course we expressed a lot of concern to the campus people and indicated that that has to be something that has to be examined very carefully and appropriate reductions be made if possible. In many cases we have contractual commitments even if they're one semester. So you'd have to write out the one semester and a lot of that is done several months before the semester begins so that we're in position when the students come to the school.

So a lot of that basically was locked in and there's not much you can do once you're into a semester with those areas. So we had to take steps to offset some of those potential deficits with other actions, and as I pointed out one of them was to make sure that the class schedule was sized appropriate to the enrollment and that we kept classes that were in conformance with board of trustee standards that were established way back to the early '70's and continue to be the standards for the college.

That was a major part of it because what we squeezed out was an excessive two hundred sections that would have been substandard in enrollment and that translates to somewhere between five and six hundred thousand dollars in potential labor costs. So that was a big, big part of the program. As I pointed out, we stopped any nonessential business travel and we took some other steps that together on the expenditure side brought things down to a more realistic level.

CHAIRMAN CARACCIOLO:

So as we sit here today what is the forecast for year end?

MR. LA LIMA:

Well, right now we're looking at what we believe will be a zero. In other words, neither a gain or a loss, but as Fred points out, we're

depending on the application of revenues and we've been deliberately trying to drive those revenues up. One of the reasons we were so interested in having that facility at the west among other things was to be able to bring in additional revenue and help to generate economic activity in Suffolk County and that's happening, and the revenue that that's bringing in currently can be a major means of offsetting some of the costs that are going up at the college and some of which can be controlled perhaps and some of which is beyond our ability to control without reducing services.

So, you know, I think at some point as Fred points out we would like to have you appropriate those revenues when we're in a position to know with the little more certainty what the actual number will be so that it would be available to apply against the expenditures. The mechanism of course, as Fred points out is we'd have to draw down from the surplus and then replenish the surplus with the move of the Legislature to appropriate those revenues.

CHAIRMAN CARACCILOLO:

Would those revenue enhancements require Legislation or Legislative action?

MR. LA LIMA:

Would the revenues require -- I think only the appropriation of the revenues, I believe, is all that's required, but I'm not an expert in that area. That's a legal and technical question. Fred, I don't know if you want to comment?

MR. POLLERT:

Yeah, the actual receipt of the revenues will not require any Legislative approval, so it's not that the revenues are being increased because of there being a new revenue schedule. It's by virtue of the fact that the revenues were underestimated when the budget was put together. There are two additional points. Part of the college's budget balancing plan will also require the Legislature to free up the fund in the lock box so that they can flow to areas where the budget -- where the college is anticipating there will be a budget shortfall.

Finally, I would note that we were contacted by the County Executive's Budget Office on Friday and it's our understanding that based upon a vote of the union and the County Executive's representatives, there will be a reduction in the interfund chargeback for health insurance. So that health insurance chargeback to the community college where they were forecasting a shortfall of three hundred and eighty-three thousand dollars will be mitigated because of the lowering of the chargeback.

CHAIRMAN CARACCILOLO:

Okay. Could you now elaborate? Because I see a lot of blank faces in the audience as to what agreement you are making reference to and which employee bargaining unit.

MR. REINHEIMER:

It looks like the County Executive's Office is adjusting the interfund transfers to be in line with the adopted operating budget starting 2001. So this would be retroactive to January 1st. This impacts interfund transfers for the Employee Medical Health Plan, which is the self-insured plan. So it affects all employees enrolled, or the chargebacks for those employees enrolled in that plan, which is approximately for the college, around ninety-six percent of their employees.

CHAIRMAN CARACCIOLO:

How does one accomplish that? Is it just an agreement between the parties or -- I don't quite understand?

MR. REINHEIMER:

Yeah, it's -- well, the health insurance oversight committee sets the interfund transfer -- ultimately sets the interfund transfer rates. Generally, they try to set those rates in concert with the adopted budget. So they meet and set the transfer rates usually December, beginning of January in conjunction with the adoption of the Operating Budget. This year however, their consultant set the rates higher than what was adopted in the budget, which creates a shortfall for the college and also created a shortfall in the general fund. So the committee is rolling back those interfund transfer rates effective January, to be in line with the adopted budget.

MR. POLLERT:

Just along those lines, I contacted Ken on Thursday of last week and indicated to him that we were not necessarily in agreement with roll back to the rates because the -- there was a projected shortfall in the health insurance fund from last year of approximately three million dollars. So if we kept the charge back rates that were adopted in the budget, it would wipe out that shortfall. By the committee lowering the chargeback rates, we may have a carry-over shortfall and role the problem into 2002. Ken said that he would get back to me on the topic.

CHAIRMAN CARACCIOLO:

Okay. You're speaking to a lot of jargon that obviously the technocrats are familiar with. I'm not sure too many other people in this auditorium really know what your speaking of. So if you can just take us and give us a drill here of what exactly are we talking about? I mean, when we talk about health insure, to me the County pays benefits for its employees and sets aside a certain dollar amount to take care of that potential liability.

There were projections that the college was going to exceed that by a substantial amount. Now I'm hearing rollbacks, chargebacks, etcetera. I'm not quite sure I follow what -- or anyone else here maybe besides Legislative Counsel, might know exactly what you're speaking to. So just explain how the health insurance program works with college employees, college faculty, what we budget, what the purpose of that budget amount is and how this, what appears to me to be some type of accounting or paper transaction, rectifies a substantial forecasted shortfall of a couple of months ago to something that's nothing right now.

MR. POLLERT:

Currently the community college's numbers do not reflect a reduction in their chargeback for health insurance. The County is self-insured for health insurance. We segregate those costs into a separate fund. Because it's not a taxing fund that fund supports itself by chargebacks, charges to other funds like the general fund or the police department or the community college based upon the number of employees that they have and a rate that's established within the budget and approved by this managements labor committee.

CHAIRMAN CARACCIOLO:

Let me stop you there. In affect what you just said then, is in terms of the college and the employees of the college, they are part of the County's self-insured health insurance plan. What we do for

accounting purposes is we assign a dollar amount for those benefits in their budget. That brings us to this issue of charging back to the general fund, the community college fund, etcetera.

MR. POLLERT:

That's correct.

CHAIRMAN CARACCIOLO:

Thank you.

MR. POLLERT:

So when the college prepared their budget last year just like they're in the process of preparing the budget this year, they go to the budget office and they say what do you anticipate the health insurance rates will be? So the budget office gives them a preliminary estimate for the next fiscal year. What happened last year was the estimate that was given to them was too low in light of what the actual expenses were from the health insurance fund.

So when the County adopted our budget last year in November the chargeback rates were higher, but the community college's budget was already in place with a lower anticipated chargeback rate. That being the case they were projecting a shortfall currently of about three hundred and eighty-three thousand dollars.

CHAIRMAN CARACCIOLO:

Basically an adjustment?

MR. POLLERT:

That's correct. So they would have to pay this health insurance fund three hundred and eighty thousand dollars more than they actually have allocated for that purpose. The budget office has just said that they -- based upon a vote of this management labor committee there has been a reduction in the rates.

The committee looked at what they anticipated the expenses to be and said the amounts included in the budget are too high for an interfund transfer. Therefore, even though the Legislature had adopted a budget with a chargeback rate it doesn't need to be that high. We don't necessarily agree with them because they we looking at current expenses and not the fact that there was about a three million dollar shortfall from last year.

So based upon their retained actuary, they said the current charges are three million dollars higher than current expenses, but they didn't take into account we had a three million dollar shortfall from last year. The budget office has to respond to what this Labor Management Committee has adopted so they are adjusting the chargeback rates downward. Everything being equal, next year, when we do the budget we have that carry over three million dollar shortfall. We have to push up the chargeback rates next year. So it's either pay me now or pay me latter.

CHAIRMAN CARACCIOLO:

The origin of this three million dollar shortfall is from where?

MR. POLLERT:

From higher costs and higher utilization. So we had budgeted --

CHAIRMAN CARACCIOLO:

That's within the entire hundred million dollar County --

MR. POLLERT:

That's correct.

CHAIRMAN CARACCIOLO:
-- Community College budget.

MR. POLLERT:
No. Within the one hundred million dollar health insurance cost.

CHAIRMAN CARACCIOLO:
County health insurance --

MR. POLLERT:
Right.

CHAIRMAN CARACCIOLO:
Okay.

MR. POLLERT:
Which is also coincidentally about one hundred million dollars.

CHAIRMAN CARACCIOLO:
Okay. Is that not then made proportionate to the different employee groups?

MR. POLLERT:
That is correct.

CHAIRMAN CARACCIOLO:
And in the case of the college what is the proportionate amount? It wouldn't be three million?

MR. REINHEIMER:
No. It's based on specific enrollments of the employees.

CHAIRMAN CARACCIOLO:
Do we know today what that amount may be?

MR. REINHEIMER:
The number of enrollments?

CHAIRMAN CARACCIOLO:
No. What the shortfall will be in the college?

MR. REINHEIMER:
No.

CHAIRMAN CARACCIOLO:
The community college. Out of that three million, if that's County wide, the question is what portion of that would be attributable to the community college.

MR. REINHEIMER:
Right.

CHAIRMAN CARACCIOLO:
I mean, that's a number we need. If we don't have it today, we need to get that number.

MR. REINHEIMER:
Yeah, it would be proportioned to the number of enrollees in the whole plan. There's eighteen thousand enrollees County wide, which includes retirees, employees, community college, and the community with their employees and retirees we would be charging back based on those enrollments.

CHAIRMAN CARACCIOLO:

What is the total amount of employees within the college active and retired?

MR. STEIN:

It's around twelve hundred.

CHAIRMAN CARACCIOLO:

Twelve hundred. Thank you. Okay. So --

MR. REINHEIMER:

Twelve hundred out of eighteen thousand enrollees.

CHAIRMAN CARACCIOLO:

Right. So that's about eight percent, seven percent.

MR. POLLERT:

Six point seven percent.

CHAIRMAN CARACCIOLO:

Okay. So proportionately then, if you took six point seven percent of three million, because it is assigned proportionately, correct, what is the shortfall the college will be looking at as it moves forward and prepares, or has already prepared I assume, or put the final touches on your budget for next year?

MR. POLLERT:

Roughly two hundred thousand dollars.

CHAIRMAN CARACCIOLO:

Okay. That's a big difference. Okay, Chuck, I know you've been very patient. I know this was news to you as it was to all of us. How does that help the situations in terms of the other actions you've taken and you contemplate taking?

MR. STEIN:

Certainly regarding this year, any reduction for this year will be of assistance to us. To a certain extent I share Fred's concerns looking into the future, but --

CHAIRMAN CARACCIOLO:

I didn't miss the part about pay me now or pay me later.

MR. STEIN:

And I think that's an important point. It's going to show up at some point and we're going to have to fund it.

CHAIRMAN CARACCIOLO:

Will that be included in your budget presentation?

MR. STEIN:

We have been -- what we've been putting together for the budget presentation, which we will be presenting to the board tomorrow, includes an increase that I've discussed with Fred in terms of projected percentage increase that the Budget Review Office felt would be appropriate.

At the conclusion of this I'm going to talk to Fred again to see how that's going to be amended, but we've had ongoing conversations about with these numbers because they are chargebacks with the County and we want to make sure that we're dealing with the same numbers.

CHAIRMAN CARACCIOLO:

Well, I just want to assure each of you on the College side that the purpose of this committee and the education committee and the Legislators in general is since we have oversight function, is we want to make sure everybody is talking to each other so that when you present your budget for next year that it's as close to being accurate and finds agreement with all three parties so we don't begin in June a process of trying to understand where your numbers are coming from and how they reconcile with other people's numbers.

I want to get back to a comment you made President LaLima.

MR. LA LIMA:
Yes.

LEG. POSTAL:
I have a couple of questions and I have to leave at ten forty-five.
So I'm hoping I'm going to get an opportunity to ask and have --

CHAIRMAN CARACCIOLO:
Go right ahead.

LEG. POSTAL:
Thank you. Thank you, Mr. Chairman. First, let me ask Budget Review a couple of questions. I know that when you were asked about the proposed savings plan or the proposed, I guess you could call it deficit reduction or whatever you want to call it, plan from the college you said that it was based upon increasing revenues or one of the components was increasing revenues and that would require action by the Legislature, but I don't remember whether you kind of made an evaluative judgment about whether you felt it was a realistic plan, and I'd like to know whether you think it's a realistic plan.

MR. POLLERT:
We have to defer to the community college which is a lot closer to whether or not they actually recognize the savings that they have put in. The revenues, we have done to the extent possible tests. So for instance they have increased field house revenues. We had requested a listing of the bookings that actually show that those revenues are going to materialize. It appears that the revenue estimates at this point in time are reasonable.

We would also note that when we requested the most recent enrollment numbers now that we're passed the drop, period, the college didn't have that data factored into their most recent forecast. So clearly it's a work in progress. That's something that they're going to have to do when they get the report to final drops, to fine tune what is going on with that loss in tuition revenue. Just like they're going to have to fine tune the changes in the health insurance .

LEG. POSTAL:
So that as we move along, it's not enough to leave here today and assume that the only thing that we're going to have to be concerned about is that eventually we're going to have to approve a resolution to appropriate additional revenues. I just think we need to be aware and on top of that.

I have a question with regard to one of cost savings measures that you referred to Sal, and you said we paired classed down to the, I guess, number or level that was designated by the Board of Trustees as a, I guess, minimum level for class size. That's for this current semester? I'm asking.

MR. LA LIMA:

Yes. Yeah, we work with a board policy that was established many years ago that says essentially that classes that are less than ten should not be allowed to run unless there's some exceptional conditions which requires the Vice President of Academic Affairs approval.

LEG. POSTAL:

Okay. But that relates to this year, right?

MR. LA LIMA:

Right.

LEG. POSTAL:

No. Mr. Sacca is shaking his head no.

MR. LA LIMA:

Well, it applies to this year, but it's an ongoing -- that's a standing policy.

MR. SACCA:

Standard.

LEG. POSTAL:

So, were we doing that previously?

MR. LA LIMA:

We should have been, yes.

LEG. POSTAL:

But we may have not been.

MR. LA LIMA:

Well, what we're not sure is that the department chairs who are the lowest level of our academic organization we always that careful about making sure those classes were not allowed loud to run. We think most people were conscientious in applying these standards, but we were much more assertive from the top down in making sure that classes that looked like they weren't going to reach that goal before the classes actually began, were squeezed out of the schedule so students could be accommodated in other sections.

By the way, this usually happens where you have multiple sections. For example, you have a standard freshman composition class. We might have forty sections of the same course and it might be that five or six of them would be running substandard in enrollment and we can place those students if we do it early enough, and that's really what we were trying to do. We were asserting to our department Chairs that you must intervene early. You can't wait until the first day. Once a student is in class and classes begin we can't drop that course anymore. It's too late. The student can't be accommodated.

So we were trying to impress upon the lowest level academic people that they have to get on top of that early, and make sure that we don't allow classes that potentially will not reach the goals that the board has established -- are purged out of the schedule.

LEG. POSTAL:

It's funny, I would think it's the other way around. I would think it's an isolated course in -- where there's just one section.

MR. LA LIMA:

Those are the ones we would allow to run usually. See if you have an

isolated course, particularly if it's needed for graduation, if it's a you know, an essential course.

Now if it's an elective type course, it's something we could say to the student, look, it's humanities course. We can't run this when it's only got six in it, but we can give you another humanities course. It would be a different course, but it meets the degree requirement. That kind of thing we can do. But it it's very a technical course that's let's say, a capstone in a program, and it has eight people in it, we would go to the Vice President, when I say we, I don't mean me, but the Department Chair, through his administrator, would go through the Vice President. The Vice President would say that's approved because it's essential for the student in order to complete his degree requirements, a capstone course.

Those are the exceptions, and they should be small in number relative to the total schedule. We run about two thousand six hundred courses a semester in the credit area alone. So it's a big problem and a big project, but that's really what we were trying to do. Make sure we don't get to the point where classes are about to start and then we see this class is too small.

CHAIRMAN CARACCIOLO:

Legislator Postal, I want to accommodate your schedule. So at this point I'm going to suspend for a few minutes the presentation, go to the agenda so the committee can report out on the agenda.

Tabled Resolutions-Prime

Before the committee is 1241. 2041 - Adopting Local Law No. Year 2000, a Charter Law authorizing local municipal funding of Suffolk County Capital Projects. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive).

Todd, did you want to put a statement on the record with regard to this?

MR. JOHNSON:

You want me to come up?

CHAIRMAN CARACCIOLO:

Yes.

MR. JOHNSON:

2041, you're talking about?

CHAIRMAN CARACCIOLO:

Yes.

MR. JOHNSON:

Yeah. Just for the record, the County Executive's Office plans to withdraw this.

LEG. POSTAL:

Oh.

MR. JOHNSON:

For the record, this is Todd Johnson from the County Exec's Office. 2041, we plan to withdraw that by the end of the day.

CHAIRMAN CARACCIOLO:

Okay. Thank you, Todd. So I make a motion to table subject to call pending the withdrawal of the resolution. All in favor? Opposed?

Abstentions? Unanimous. Tabled subject to call (Vote: 3-0-0-1 - Not Present: Legislator Haley).

Tabled Resolution-Non-Prime

1192 - Appropriating funds in connection with the purchase of an integrated Human Resources/Payroll System (CP 1740). ASSIGNED TO HUMAN RESOURCES AND FINANCE & FINANCIAL SERVICES (County Executive).

Is there a motion? The Chair will make a motion to defer to prime.

LEG. POSTAL:
Second.

CHAIRMAN CARACCIOLO:
Seconded by Legislator Postal. All in favor? Opposed? Abstentions? Unanimous. Defer to prime (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1201 - Amending the Adopted 2001 Capital Budget Program and appropriating funds in connection with courtroom construction at Cohalan Complex (Four Courtrooms). ASSIGNED TO WAYS & MEANS AND FINANCE & FINANCIAL SERVICES (Bishop). The Chair makes the same motion, same second, same vote. Defer to prime (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1202 - Amending the Adopted 2001 Capital Budget and appropriating funds in connection with courtroom construction at Cohalan Court Complex (Two Courtrooms). ASSIGNED TO WAYS & MEANS AND FINANCE & FINANCIAL SERVICES (Bishop). Same motion, same second, same vote. Defer to prime (Vote: 3-0-0-1 - Not Present: Legislator Haley).

Introductory-Prime

We have IR 1233 - To readjust, compromise and grant refunds and charge-backs on real property correction of errors by: County Legislature Control No. 668-2001. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive).

LEG. POSTAL:
Mr. Chairman.

CHAIRMAN CARACCIOLO:
Yes.

LEG. POSTAL:
I would make a motion to approve 1233, 1234 and 1235 and place them on the consent calendar.

CHAIRMAN CARACCIOLO:
1235?

LEG. POSTAL:
Excuse me. 1245, I apologize. Sorry about that.

CHAIRMAN CARACCIOLO:
Motion by Legislator Postal. Second by Legislator Cameron. All in favor? Opposed? Abstentions? Unanimous. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley). And place them on the consent calendar, 1233, 1234 and 1245.

1234 - To readjust, compromise and grant refunds and charge-backs on real property correction of errors/County Treasurer by: County

Legislature #120. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive). Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1245 - To readjust, compromise and grant refunds and charge-backs on real property correction of errors by: County Legislature Control #669-2001. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive). Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1250 - Amending the Truth and Accuracy in Property Tax Billing Policy. ASSIGNED TO FINANCE & FINANCIAL SERVICES AND EDUCATION & YOUTH (Foley). Do I hear a motion? Counsel, explanation.

MR. SABATINO:

This would add an additional line to the tax bill to break out the community college portion of the tax levy as a separate item as opposed to be being part of the general fund.

LEG. POSTAL:

I would make a motion to approve.

CHAIRMAN CARACCILOLO:

Motion by Legislator Postal. Second by the Chair. All in favor? Opposed? Abstentions? Unanimous. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1256 - A Charter law to require annual expenditure disclosure for contract agency funding. ASSIGNED TO FINANCE & FINANCIAL SERVICES (Carpenter).

LEG. POSTAL:

I would make a motion to table pending a public hearing.

CHAIRMAN CARACCILOLO:

Motion to table pending public hearing.

LEG. ALDEN:

Didn't we have the pubic hearing?

LEG. POSTAL:

It says introductory-prime.

CHAIRMAN CARACCILOLO:

Okay. That's tabled subject to public hearing. Second by the Chair. All in favor? Opposed? Abstentions? Unanimous. Tabled (Vote: 3-0-0-1 - Not Present: Legislator Haley).

Sense-Prime

Sense 15-2001 - Memorializing resolution requesting United States Congress to enact Bush Tax Cut Plan. ASSIGNED TO FINANCE & FINANCIAL SERVICES (Binder).

LEG. ALDEN:

Motion to approve.

CHAIRMAN CARACCIOLO:

Motion by Legislator -- I'm going to make a motion to table one cycle.

LEG. POSTAL:

I'll second that.

CHAIRMAN CARACCIOLO:

Seconded by Legislator Postal. All in favor? Opposed? Abstentions?

Unanimous. Tabled (Vote: 3-0-0-1 - Not Present: Legislator Haley).

Introductory-Non Prime

1215 - Electing to grant performance of duty disability benefit for certain Sheriff's Office employees. ASSIGNED TO HUMAN RESOURCES AND PUBLIC SAFETY & PUBLIC INFORMATION AND FINANCE & FINANCIAL SERVICES (Caracciolo). This is the Chairs resolution. I make a motion to approve.

LEG. POSTAL:

Second.

CHAIRMAN CARACCIOLO:

Counsel, could you just explain what this benefit would provide?

MR. SABATINO:

Well, it's tandem. It's the two bills have to be considered together, but the essence of the Legislation is to opt into a State Legislation which would establish a statutory presumption that if a correction officer at the beginning of his or her employment took a physical exam and had no medical problem and later on in the course of employment develops a heart condition, then the presumption would be that it arose out of the employment with the County and that person would be entitled to basically an enhanced disability benefit.

CHAIRMAN CARACCIOLO:

1215 is a disability enhancement as I understand the bill. 1216 was the heart disability provision, correct?

MR. SABATINO:

Correct.

CHAIRMAN CARACCIOLO:

So 1215 can be adopted locally without the County going so far as to provide an additional heart disability benefit.

MR. SABATINO:

1215 can, but then 1216 needs 1215.

CHAIRMAN CARACCIOLO:

Correct. Now that's why the Chair makes a motion at this time to approve 1215 and will be making a motion to table 1216 pending additional information from the New York State Retirement System and other localities that we have been told have adopted this Legislation so that we can get a clearer picture as to its projected financial impact.

Legislator Cameron.

LEG. ALDEN:

On -- so on 1215 you're making a motion to approve, but we don't have a financial impact?

CHAIRMAN CARACCIOLO:

Oh, on 1215 we do, yes, the State Legislation. This was a bill passed by the State Legislature in 1999. 1216 was approved last year and signed into law by the Governor in December so it's a brand new benefit for this category of eligible employees and that's why -- another reason why the Chair wants to table that pending additional research and information.

LEG. ALDEN:

My question would be then how much of an impact is this going to be on Suffolk County?

MR. REINHEIMER:

Okay, on 1215 the immediate past service cost provided to us by New York State Retirement Systems is seven hundred and thirty two thousand, three hundred and sixty-seven dollars. We have the option of amortizing, paying that lump sum or amortizing it over a five or a or ten year period through New York State.

LEG. ALDEN:

Right now we're not obligated to pay that, right?

MR. REINHEIMER:

No.

LEG. ALDEN:

So if we adopt this, then we're obligated to pay --

MR. REINHEIMER:

That's correct.

LEG. ALDEN:

-- an additional charge of almost eight hundred thousand dollars --

MR. REINHEIMER:

Right, which we can amortize over a five or ten year period or pay in lump sum. In addition to that there will be an eventual increase in the employer contribution which is an annual charged based on salaries and payroll and based on the current number of employees and current salaries, that additional cost would be a hundred and eighty-three thousand dollars annually.

LEG. ALDEN:

Okay, so where are we getting that money from? In the first year that's a million bucks.

MR. REINHEIMER:

Well, that's a million dollars in the first year if we choose to pay the past service in one lump sum.

LEG. ALDEN:

Or it's a quarter of a million dollars if we -- oh, now more than a quarter of a million dollars if we so choose to amortize it. So where would that money come from?

MR. REINHEIMER:

If we were to amortize over a five or ten year period, if we amortize it over ten years it would be a hundred and sixty-nine thousand per year, and a hundred and one thousand if we did it over --

LEG. ALDEN:

Plus the annual contribution.

MR. REINHEIMER:
Plus the annual contribution.

LEG. ALDEN:
Right. So it's almost a quarter million dollar.

MR. REINHEIMER:
These are -- all these employees are in the general fund.

LEG. ALDEN:
Right.

MR. REINHEIMER:
The correction officers and deputy sheriffs are in the general fund so it would be a charge to the general fund.

LEG. ALDEN:
Which would what, translate almost dollar for dollar direct tax increase, right, at this point?

MR. POLLERT:
Yes, because there's no State or Federal aid which we receive on the correction officers; that is correct. We have not factored this into our budget forecast because it hasn't been adopted by the Legislature yet. So we're not including this when we had worked up our forecast for 2001, 2002, 2003.

LEG. ALDEN:
Well --

MR. POLLERT:
So clearly --

LEG. ALDEN:
-- it goes up for all those years.

MR. POLLERT:
-- if it's adopted, we would have to come up with a quarter of a million dollars and find out how it's going to be paid.

LEG. ALDEN:
Right. And then a little bit more the next year, a little bit more -- okay. At this point if -- cause I have more questions, but in the interest of time, I know Legislator Postal has to get out of here, I'd make a motion to table it.

CHAIRMAN CARACCILO:
Is there a second on the motion to table? Okay. There's no second on the tabling motion. Fred, the question I have is or Lance, maybe you can just outline, what is the current disability benefit for a correction officer who in order to receive a disability benefit would have to demonstrate that the injury was permanent and as a result of -- would be job related.

MR. REINHEIMER:
Yeah, the -- it would be incumbent upon the employee to show that this injury or disability hinders their ability to perform their job, and if they have -- if they're vested, which is five years and are able to retire, they could retire under that. You know, specifically when you start talking about what benefits a particular employee has, it's -- there are some unique situations depending on the individual, and I'm not prepared to say specifically what the disability retirement benefits are to the class of employees.

CHAIRMAN CARACCILO:

Well, right now at what level do they receive a disability benefit?
Is it one third, is it fifty percent?

MR. REINHEIMER:

I'm not sure at this point. I would have to look because you have two different -- you're talking two different plans. The correction officers are on one section of the law and deputy sheriffs are on the section. So they may have two different benefit levels for those two plans.

CHAIRMAN CARACCILO:

Counsel, do you have that information?

MR. SABATINO:

No. You have to look at the statute. I know this would bring it up to seventy-five percent, but Lance is correct that it's written in the statute depending on who you are and where you are, but I just don't recall the --

MR. REINHEIMER:

You know, in general I have some information and it looks like for deputy sheriffs it would be two thirds. They would go out on two thirds disability. Two thirds --

CHAIRMAN CARACCILO:

Under this benefit?

MR. REINHEIMER:

No, no.

CHAIRMAN CARACCILO:

Presently they have a sixty-six percent disability benefit.

MR. REINHEIMER:

Under the current system, right.

CHAIRMAN CARACCILO:

What do other uniform personnel have?

MR. REINHEIMER:

You know, those are different plans and you know, I don't have that information.

CHAIRMAN CARACCILO:

Well, the Police Department for example.

MR. REINHEIMER:

I can't --

CHAIRMAN CARACCILO:

Seventy-five percent. I know that for a fact. So I think we're talking here Legislator Alden about parity and fairness and equity in the work place for employees who do similar, not exactly similar work, but perform law enforcement duties in terms of the Deputy Sheriffs and in terms of the Correction Officers Patrol, if you want to use that term, some of the toughest beats in America. Therefore, we have a motion and a second. All in favor? Opposed? One opposed? Are you opposed?

LEG. ALDEN:

It's going to go the floor, right? I'll ask my questions between now

and --

CHAIRMAN CARACCILO:
Okay. Thank you.

LEG. ALDEN:
We're not prime anyway.

CHAIRMAN CARACCILO:
No. That's exactly right. So 1215 is approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1216 - Electing to grant disability benefits to the County Sheriff, Undersheriffs, Deputy Sheriffs, and County Correction Officers. ASSIGNED TO HUMAN RESOURCES AND PUBLIC SAFETY & PUBLIC INFORMATION AND FINANCE & FINANCIAL SERVICES (Caracciolo).

The Chair makes a motion to table for the aforementioned reasons, and additional research, and I've requested that Legislator Carpenter do the same tomorrow Counsel, in Public Safety, and I would appreciate it if you would put on the record the Chairs desire to have it tabled and the reasons therein. Tabled (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1222 - Accepting and appropriating 100% additional State Aid from the 1% bail fee account for the Combating Graffiti Vandalism Program Administered by the Department of Probation and authorizing the County Executive to execute related agreements. ASSIGNED TO PUBLIC SAFETY AND PUBLIC INFORMATION AND FINANCIAL SERVICES (County Executive).

Motion to approve by the Chair. Second by Legislator Postal. All in favor? Opposed? Abstentions? Unanimous. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1223 - Accepting and appropriating 100% Federal funds for the Home Energy Assistance Program in the Department of Social Services. ASSIGNED TO SOCIAL SERVICES AND FINANCE & FINANCIAL SERVICES (County Executive).

Same motion, same second, same vote. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1224 - Accepting and appropriating 100% grant funds from the New York State office of Mental Health to the Department of Health Services, Division of Community Mental Hygiene Services for Several Mental Health Contract Agencies. ASSIGNED TO HEALTH AND FINANCE & FINANCIAL SERVICES (County Executive).

Same motion, same second, same vote. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1225 - Accepting and appropriating 100% grant funds from the New York State office of Mental Health to the Department of Health Services, Division of Community Mental Hygiene Services for the renovation of space for Mental Hygiene Administration. ASSIGNED TO HEALTH AND FINANCE & FINANCIAL SERVICES (County Executive).

Same motion, same second, same vote. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1226 - Accepting and appropriating a 100% funded Town of Brookhaven grant to fund a Summer Youth Conservation Corps (YCC) Crew. ASSIGNED TO SOCIAL SERVICES AND FINANCE & FINANCIAL SERVICES (County

Executive).

Same motion, same second, same vote. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1227 - Accepting and appropriating a grant in the amount of \$250,000 from the United States Department of Justice, Office of Justice Programs, to combat and diminish gang influences within Suffolk County with 100% support. ASSIGNED TO PUBLIC SAFETY AND PUBLIC INFORMATION AND FINANCE & FINANCIAL SERVICES (County Executive).

Same motion, same second, same vote. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

1249 - Allocating funding for pay-as-you-go financing for roofing of various County buildings (CP 1623.321). ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive).

Same motion, same second, same vote. Approved (Vote: 3-0-0-1 - Not Present: Legislator Haley).

Sense Non-Prime

We have Sense 14-2001 - Memorializing resolution requesting State of New York to authorize "Toxic Pesticide Tax" in Suffolk County. ASSIGNED TO ENVIRONMENT LAND ACQUISITION & PLANNING AND FINANCE & FINANCIAL SERVICES (County Executive).

The Chair makes a motion to --

MR. SABATINO:

That was withdrawn, Mr. Chairman.

CHAIRMAN CARACCILO:

Withdrawn, okay. Sense 14 of 2001 is withdrawn.

That concludes the agenda. Thank you, Legislator Postal. We'll continue now with the matter before us, and I know Chairman Sacca, you have been patiently waiting, I think to make a statement, so I'd like to take this opportunity, if you care to make a statement, to do so.

MR. SACCA:

Thank you, very much. What I'd like to do is yield the floor to Chuck and let him tell you the entire plan in order for us to move forward so that there is no shortfalls associated with this year's budget.

CHAIRMAN CARACCILO:

And in that context the Chair would like to request for each member of the Legislature a copy of the plan. I mean, that's in essence what this meeting was about today. So we would like to see that in writing.

MR. SACCA:

If we don't have it here, we will guarantee it will be here tomorrow.

CHAIRMAN CARACCILO:

Thank you.

MR. STEIN:

As has been discussed to this point we've been providing information to the board and to the budget office and budget review office as to the major areas of revenues and expenditures that we see either being plus or minus. The point that was brought up by the President earlier was that this was an estimated gap recognized in late fall and that

steps were being implemented to deal with it before it became a problem. Much the same as I saw on Channel 12 yesterday regarding the County. But the County's taking steps to deal with its situations.

The revenue categories, we see that while the estimate through August 31 of basic tuition being a shortfall and as of February 28th it was seven hundred and sixty-seven thousand dollars. We do these by the way at the end of each month. So once the numbers are in by the end of this week we will have the end of March.

The miscellaneous tuition area which deals with ESL and other types of tuition is actually estimated to be up about three hundred and thirty-six thousand dollars by the end of the year. There are additional State aid categories which total about a million dollars. The field house which is the one that the President spoke about before is estimated to be about six hundred and thirty thousand dollars above what had been budgeted.

CHAIRMAN CARACCILO:
Six hundred and --

MR. STEIN:
About six hundred and thirty thousand dollars above what was budgeted. Now, what we had stated when the budget was adopted for this year we knew that this first year was going to be a learning experience with the new building at the western campus, and the estimates that we had in the budget not only for revenues, but also for expenses, were something that were educated estimates at the time, since it was a brand new building and the field house has surpassed our expectations in terms of the revenue. It's also hitting us somewhat more in terms of utilities than what we anticipated, but so far we're still planning on utilities coming in on budget at this moment.

On the expenditure side we did have this question about the health insurance premiums, but based upon the information that I just heard along with you, we're going have to reevaluate that. We had full-time positions showing an additional expenditure of about four hundred and eighty thousand dollars. We have preliminary information that the report at the end of this week will probably show that being somewhat less.

The part-time positions, there's about one point one million estimated to the end of the year as we had mentioned earlier. As far as some of the charges for the retirement systems and other benefits we expect that that could be as much as a positive five hundred thousand dollars for the year.

CHAIRMAN CARACCILO:
Chuck, on that note could you just, you know, add to why those particular benefits incur an additional expense?

MR. STEIN:
The --

CHAIRMAN CARACCILO:
The retirement benefits.

MR. STEIN:
No, no. I said those are actually going to be better.

CHAIRMAN CARACCILO:
Oh, better?

MR. STEIN:
Yeah.

CHAIRMAN CARACCIOLO:
The experience will be less than forecasted?

MR. STEIN:
Less than -- less of an expense than was --

CHAIRMAN CARACCIOLO:
Okay. That's the four hundred and forty-seven thousand dollars?

MR. STEIN:
Right.

CHAIRMAN CARACCIOLO:
Okay.

MR. STEIN:
So, you know, those are positives. Now, we did have standby discretionary actions that we added up to be five hundred and ninety-seven thousand dollars. Those are discretionary that could be enacted pending the revenues and expenses that I've just described. If we find that the revenues are not going to come in as we see the year progress, then their are these discretionary actions that we could enter into to come forward so that when we look at the budget on a basis of the revenues and expenses for this year, it would balance out.

This also makes one other assumption and the other assumption is that six hundred and eighty-eight thousand dollars, which was a carry over from last year will be dealt with in the way we deal with it for our State reporting purposes. When we send a State report to Albany, to SUNY everything is a plus or minus the fund balance. That's the way the State operates and the six hundred and eighty-eight thousand dollars was a prior restricted amount from fund balance and that's how it's dealt with. That carried over into this year.

I want to let you know that that's the last time that's going to happen. We have eliminated year end encumbrances. So we're in line with what the County is doing so that it won't occur again.

CHAIRMAN CARACCIOLO:
Very good. When will you be making a decision relative to the four hundred and four thousand in discretionary spending?

MR. STEIN:
Well, again, those are standby as we go along. If we see revenues are not going to come in line with this plan then those are standby items that we can implement.

CHAIRMAN CARACCIOLO:
I understand. For example, furniture and furnishings almost fifty thousand dollars, purchase orders have to be submitted, they have to be approved. That takes time. Is there a directive in place right now that departments heads know don't submit, or you can submit, but we're holding?

MR. STEIN:
Well, on IFMS System they're being held and we're not releasing them.

CHAIRMAN CARACCIOLO:

Okay.

MR. STEIN:

Orders that were placed back in the fall have gone through, but these are -- what's on the IFMS System is being held.

CHAIRMAN CARACCIOLO:

Okay. What I was just handed, has that been provided to the Budget Review Office?

MR. STEIN:

I believe so. Yes, and the Budget Office.

CHAIRMAN CARACCIOLO:

Okay. Today or previous to today?

MR. STEIN:

Previous. Again, we up date this once a month.

CHAIRMAN CARACCIOLO:

I see that. So this was as of the end of February?

MR. STEIN:

Right.

CHAIRMAN CARACCIOLO:

Okay. And you'll be updating this again at the end of -- probably later this week?

MR. STEIN:

Right. And then we'll get copies over to the Budget Office and the Budget Review Office and to the board members and to --

CHAIRMAN CARACCIOLO:

Very good. Budget Review and the Budget Office, where is -- where did he go? Where's Ken? Is he back there?

MR. JOHNSON:

He stepped out for a second.

CHAIRMAN CARACCIOLO:

Oh, okay. Todd, do you want to -- are you at all familiar with this presentation that you just heard and this plan to deal with the shortfall?

MS. KOLYER:

I am familiar with it.

CHAIRMAN CARACCIOLO:

Okay, but you want to come up please and identify yourself?

MS. KOLYER:

Hi, I'm Debra Kolyer from the Budget Office.

CHAIRMAN CARACCIOLO:

Debra --

MS. KOLYER:

Kolyer.

CHAIRMAN CARACCIOLO:

Kolyer, okay. You're not related to a John Kolyer are you?

MS. KOLYER:

No.

CHAIRMAN CARACCILO:

Okay.

MS. KOLYER:

We've been updated on their projections and it's an ongoing thing that we're in contact with them.

CHAIRMAN CARACCILO:

Okay.

MS. KOLYER:

One of the issues in the past was that there was a lack of communication between the college and other County Budget Offices primarily being the County Executive who is the Budget Officer, and his staff and our own Legislative Budget Review Office. At this juncture is the executive content or satisfied that there is a cooperative relationship with the budget people at the college and with the administration in terms of addressing this pressing problem?

MS. KOLYER:

Yes, and we're having ongoing discussions and projections on the shortfall.

CHAIRMAN CARACCILO:

Okay. Do you have any comments with respect to the plan that they're working with and they're --

MS. KOLYER:

Not yet.

CHAIRMAN CARACCILO:

When will you have comments?

MS. KOLYER:

Once I receive their budget request in two weeks we can all go over everything basically.

CHAIRMAN CARACCILO:

Okay. Would you be prepared then for the May 2nd Committee Meeting of the Finance Committee to share with us your thoughts with respect to that budget submission.

MS. KOLYER:

Well, May 2nd Ken Weiss will also be back. So we'll be --

CHAIRMAN CARACCILO:

Bring that request to him and make sure that we have some preliminary sense of where the Executive is on the college request for next year's budget.

MS. KOLYER:

Okay.

CHAIRMAN CARACCILO:

Okay. Fred Pollert, do you have any comments with respect to this presentation and this handout?

MR. POLLERT:

The level of communication has improved with the community college. We are in contact like the budget office with the community college on a regular basis and we have a good working relationship with the

community college with respect to getting the updates when they are available from the community college.

CHAIRMAN CARACCIOLO:

Do you have any recommendations or suggestions you'd like to make or put on the record in terms of other factors or considerations that should be made as they attempt to deal with this budgetary shortfall?

MR. POLLERT:

Well, last year when the budget was adopted as you recall you were instrumental in directing that there be cooperation with respect to resolving some concerns with the IFMS System and the way the community college works with the County's integrated financial management system. The community college is in the process of going through an audit as I discussed with the committee the last time. It was felt that until the college completes the audit that it would not be advisable to changing some of the parameters of the IFMS System.

We have had some discussions with the Department of Audit and Control, Jim Poitras, and we will be working cooperatively between the Department of Audit and Control, the County Executive's Budget Office and the Budget Review Office together with the community college to address some of our concerns with respect to the IFMS System.

CHAIRMAN CARACCIOLO:

Okay. Chuck.

MR. STEIN:

Regarding the IFMS System we're also going to be -- we have been working with the County computer system for upgrades to IFMS. One of the things that's coming down the line and I guess you've been made aware of it is requirements -- Government Accounting Standards Board GASB statements 34 and 35. 35 affects colleges and universities. We're working with the County to bring the upgrades to the IFMS System so that we can conform to GASB 34 and 35, which for us takes affect beginning September 1st of 2001, because that's the beginning of our fiscal period. So there's a lot going on with respect to IFMS.

CHAIRMAN CARACCIOLO:

Okay. Anyone else on the panel that would like to address the committee about this or any other issue?

MR. SACCA:

If I may. Thank you for inviting us here today. I appreciate that. One of the other initiatives that we are going to be implementing is a new marketing strategy, and I have a report here that I would like to submit to you so that you would be able to review what the process is that we're going to undertake. I think this will be beneficial to all of the residents of Suffolk County. I think the net affect is that by changing some of the marketing we may be able to reach out to each of the residents to give them the affordability of identifying the college as a resource to them. With that, I'd like to hand this to you.

CHAIRMAN CARACCIOLO:

Okay. Has this proposal been reviewed and approved by the trustees or is this just a proposal at this juncture?

MR. SACCA:

No. This is final. We are moving forward. In fact, there's a deadline on this because we have to actually put together the summer calendar for the college and we also have to look at the financing for

the fall semester.

CHAIRMAN CARACCILO:
And what is that deadline?

MR. SACCA:

The deadline actually is April 13th in order for us to have delivery, in-house, this material. And we have are trying to move this forward with the County system. One of the problems we do face is the time element associated with putting in proposals and having the process for them to go out to bid, and one of the things I'm concerned about is to meet those deadlines. The other thing I'd like to take a look at is the possibility of us doing this in-house instead of through the County system.

CHAIRMAN CARACCILO:
Fred, I see a quizzical look on your face.

MR. POLLERT:

I'm not quite sure what it means by doing it in-house as opposed through the County system. The Type C agreement has the purchasing department do purchasing for the community college, just like the comptroller in the law department support the community college as well. So I don't know --

CHAIRMAN CARACCILO:
Let me suggest, Chairman Sacca that maybe you sit down with the Budget Review Office and review that plan. I'll be happy to accept a copy on behalf of the Committee Members, and we'll continue to see how quickly we can implement your request.

MR. SACCA:
Thank you very much.

CHAIRMAN CARACCILO:
Okay. Mr. Foley, I see you would like to address the Committee, and I know Ellen Schuler Mauk would also like to address the Committee. So this panel is excused. I thank you all for coming, and Chuck, I'd like to you see back here for the May 2nd meeting to just follow up at that time the proposed budget for next year and where we stand in relation to the present situation. Thank you. Thank you all.

MR. FOLEY:

Thank you. Thank you, Mr. Chairman. John Foley, College Trustee. I come to these meetings and usually attempt to say nothing, but at times I become constrained by the discussion to say something.

First of all, on the most recent situation this marketing plan has not been distributed to the Board to the best of my knowledge, and it strikes me that it's the kind of thing that should, even based on your own question, should be reviewed by the Board and approved by the Board because otherwise the Board has no chance for an input to make some recommendations, changes or otherwise. And I think your point is well taken, or as I've said in the past, under other conditions and even under these conditions this is an rather illustrative situation.

Okay. Now, having said that let us come back to one or two items other than that. The matter of health insurance certainly needs a strong looking at as to how to overcome, hopefully overcome the question of let's say unanticipated costs. If that can be done, your Committee as well as the representatives to County Executive's Office as well as the Legislature and the County Community College will have

done a big service. But just looking at one of the pages in the report it raises the question about health insurance premiums, which is listed as a deficit of three hundred and eighty-three thousand dollars. But the next line indicates something to the affect that other employee benefits, a positive of four forty-seven. I think you have that there now --

CHAIRMAN CARACCIOLO:
I do not, and that's --

MR. FOLEY:
You don't have that?

CHAIRMAN CARACCIOLO:
No.

MR. FOLEY:
Well, anyway --

CHAIRMAN CARACCIOLO:
When you say -- which document are you referring to?

MR. FOLEY:
One of the pages from the proposal which we'll be seeing tomorrow.

CHAIRMAN CARACCIOLO:
We have not received that.

MR. FOLEY:
I'll hand you mine if you'd like to have it.

CHAIRMAN CARACCIOLO:
Okay.

MR. FOLEY:
But maybe Fred can comment it because I'm just curious, as a trustee I have to raise the question to myself and I raise it here now, what is there, if any, difference between health insurance premiums and other employee benefits? Because I raise the question also for another reason, the Board of Trustees based on the information that was given has submitted a request to the County Legislature I believe, possibly to the County Executive's Office for some additional monies amounting to some three hundred thousand dollars. But if we are -- so the question then becomes if we have a deficit in the area of three-eighty-three with a surplus in the other area, other employee benefits of four forty-seven -- I think that question has to be raised and responded to.

I may be somewhat obtuse about this but I think it's the kind of question that comes readily to mind when one looks at the printed page. Thank you, Mr. Chairman.

CHAIRMAN CARACCIOLO:
You're welcome. Fred, are you at all familiar with --

MR. POLLERT:
The Board of Trustees of the community college has requested that the County provide additional appropriations to cover a projected shortfall in health insurance premiums. That request I believe was forwarded to all the Legislators. What trustee Foley refers to that health insurance is part of employee benefits as a whole while there is a shortfall of approximately three hundred and eighty-three thousand dollars in health insurance, as Mr. Stein indicated

retirement and other costs that were budgeted by the Legislature for, employee benefits are coming in lower than budgeted. Therefore what they're requesting is three hundred and eighty-three thousand dollars of additional appropriations from the Legislature at the same time that other employee benefits were in fact overbudgeted by four hundred thousand dollars. So --

CHAIRMAN CARACCIOLO:
It's a wash.

MR. POLLERT:
Well, it's in fact more than a wash. The County Legislative Budget that was adopted provided actually a surplus in employee benefits when you look at employee benefits as a whole.

CHAIRMAN CARACCIOLO:
Okay. Mr. Foley.

MR. FOLEY:
I think that shed some light on this particular question. Now, there's one other thing that is still out there. As I recall, Mr. Chairman, at the last meeting you asked for certain comments, if not reports, on items such as the -- why is the administrative line over budget? Why is the faculty line on budget, but my way of thinking, most importantly of all, there was a request to give you and the committee a report as to the number of and to quantify the number, of ten thousand dollar transfers. I've heard nothing about that today and that's one reason why I came out this morning in the snow to listen to this particular report. How many ten thousand transfers, and what does that extrapolate to?

CHAIRMAN CARACCIOLO:
Okay. Mr. Stein, do you have information?

MR. FOLEY:
Do you want this?

CHAIRMAN CARACCIOLO:
Yes, we'll make a copy, John. Thank you.

MR. STEIN:
John Bullard of my staff just provided me with these. These are the budget transfer transactions for budget year 2001. It's all of them, and it's a complete listing which we will provide to the committee.

CHAIRMAN CARACCIOLO:
Okay. Great. May I suggest, you may want to provide them also to the trustees. I leave that to you folks, but I think, you know --

MR. STEIN:
We're meeting --

CHAIRMAN CARACCIOLO:
-- the more we exchange information, the better off everyone is.

MR. STEIN:
We're meeting with the trustees tomorrow.

CHAIRMAN CARACCIOLO:
Very good. Thank you. Ellen Schuler Mauk.

MR. FOLEY:
Well, can we get an answer for the record --

CHAIRMAN CARACCIOLO:
Yes.

MR. FOLEY:
-- as to the amount --

CHAIRMAN CARACCIOLO:
Do you have the amount? How many transactions and what dollar amount does it total, Chuck? Is that on that document?

MR. STEIN:
These are a listing of the individual transactions. It doesn't total it.

CHAIRMAN CARACCIOLO:
Approximately how many were there? If there are fifteen on a page multiply by the number of pages that are there so we have some ball park --

MR. STEIN:
Two to three hundred.

CHAIRMAN CARACCIOLO:
Okay. Mr. Pollert do you find anything unusual about that?

MR. POLLERT:
We would never receive copies of the transfers. They would go to the budget office.

CHAIRMAN CARACCIOLO:
Does the budget office find anything unusual about that amount of transfers at this point in the academic year?

MR. JOHNSON:
There's no one here from budget to comment on that.

CHAIRMAN CARACCIOLO:
Okay. Well, that question will have to pend, but I thank you Mr. Foley. Yes, Mr. Stein.

MR. STEIN:
If I might --

CHAIRMAN CARACCIOLO:
In your -- I mean, you've been at the college a number of years.

MR. STEIN:
Some of these transfers are intraobject transfers. Let me explain, because the college has to conform to NACUBO standards which is National Association of College and University Business Officials and those standards are different than general municipal departments. When we have a transfer from in one academic department to another even though it's in the same object code we have to do a transfer. That's necessary for accreditation purposes and other things. So that's also included in here, the intraobject transfers.

CHAIRMAN CARACCIOLO:
Okay. But based on previous years --

MR. STEIN:
Since I've been at the college this is about the same amount of transfers.

CHAIRMAN CARACCILO:
Okay. Thank you. Ellen.

MR. FOLEY:
Thank you.

CHAIRMAN CARACCILO:
Thank you. And as Mr. Foley departs I'd like to just once again thank he and a former County Legislator, Walter Hazlitt, former Chairman of the Suffolk County Water Authority or Executive Director for the Water Authority for joining us today as college trustees. Okay. Thank you. Hi, Ellen.

MS. SCHULER MAUK:
I'm Ellen Schuler Mauk, President of the faculty Association at the Suffolk Community College. I'm not coming so much to give a statement, but to ask some questions. This is the second meeting of the Finance Committee in which you are asking about the colleges shortfall or unanticipated shortfall for this year and you've also been discussing budget issues that are anticipated for next year for the community college. Why I'm coming to the Legislature is because I don't have a full grasp as to what was the intent of the Legislature in passing our budget last year particularly as it relates to new faculty positions and where those positions stand for next year.

At the March eighth Board of Trustees Meeting there was a resolution that had thirty-four first year faculty members on it who were slated to receive letters of reappointment. This is inconsistent with the contract it's consistent with past practices by the college. At that time the resolution was tabled. I was told that these individuals would be giving letters of intent pending budgetary appropriations next year, but that the college had to wait until they developed their budget for the County Executive to make sure that there was enough money in the budget to continue these individuals next year.

Needless to say this has sent shock waves through the institution, particularly the first year faculty who thought because they had applied and been granted a position that was tenure track position, that the college had funds in their budget that would continue. That these were basic fixed costs that would continue unless there was some catastrophic change in the budget. I've spoken to several trustees who are hopeful. They think that there should be enough money in the budget for next year, but they don't know at this point in time.

I've been meeting with these new faculty members. They're very concerned. They want to know if it's just a matter of waiting until the regularly scheduled April meeting of the Board or are they going to be waiting until May or June or August when the Legislature passes the budget. And I guess, I'm coming before you to get your understanding of the new positions and again, there were twenty-one new positions that were put into the college budget last year at budget time, sixteen of which had been filled and so when I'm talking about thirty-four obviously there were people who were hired to replace people who had retired or in existing lines. But we're dealing with thirty-four first year people who at this point in time do not have an assurance that they will be brought back next year. And if the college is able to address the shortfall that was unanticipated in the fall, which was approximately what, nine hundred and -- seven hundred and ninety-five thousand dollars by these measures.

Is it your understanding as the Legislature that these positions

should be put in the budget and these people should be given letters of reappointment.

CHAIRMAN CARACCIOLO:

Well, I obviously can't speak for the entire Legislature. I can speak for myself and I would say this, that in terms of faculty requirements, that's really a function of college administration based

on the number of cost offerings, number of students, and that's going to fluctuate from year to year. I don't think anyone could tie the County to a fixed number of faculty positions if there was a significant fall off in enrollment. I mean --

MS. SCHULER MAUK:

Okay. We're not talking about a significant fall off in enrollment. I mean, even with the addition of the new faculty lines, the sixteen new faculty lines, we still have, this semester, nine hundred and fifty-one adjuncts. And I believe four hundred and thirty-four, you know, full-time faculty. So it's not that we don't have the enrollment. And in fact, a one percent drop in enrollment doesn't mean, you know, that you don't need thirty-four full-time faculty lines.

CHAIRMAN CARACCIOLO:

Yeah, but I mean, I think there would be --

MS. SCHULER MAUK:

No, but --

CHAIRMAN CARACCIOLO:

-- an agreement between us that it is subject to fluctuation.

MS. SCHULER MAUK:

No. Yeah, absolutely, and that's one of the reasons why adjuncts become, you know, a significant part or an important part of any kind of, you know, college operation. They're there to deal with the fluctuation of enrollment.

CHAIRMAN CARACCIOLO:

Your concern really is with the full-time faculty.

MS. SCHULER MAUK:

Yes, absolutely. And my understanding was that this was supposedly a lock box situation where the money was put into the budget with the assumption from my standpoint that it would be carried forward so that the question of these thirty-four individuals would not be before us.

CHAIRMAN CARACCIOLO:

Let me defer to Legislative Counsel since he prepares resolutions such as that and would be in a better position to address the Legislative intent. Counsel.

MR. SABATINO:

The money for the positions was clearly lock-boxed in resolution 618 of 2000. When it was lock-boxed it means the money couldn't be used

for any other purpose without Legislative approval. Obviously budgets are a year to year commitment and obligation so that this was an obligation and a commitment for the fiscal year 2000/2001. The next budget process will rise or fall on it's own merits. But with regard to this particular year there was a commitment to have that money go for that sole and exclusive purpose and it would take a resolution to change that.

With regard to the upcoming budget it's the normal process. The Board of Trustees will make a proposal and a recommendation through the County Executive's Office and Legislature will deliberate in August to deal with the next budget cycle.

As far as this year is concerned, I mean, after listening to today's presentation, I mean it seem to me the numbers have changed dramatically. I mean, there seems to be a lot more pluses than minuses from the last session, and quite frankly looking at the math, and I was going to check with Budget Review later, but I'm not really sure what the magnitude of the problem is. As we speak today it sounds like the problem has evaporated.

MS. SCHULER MAUK:

I guess, my question here, I mean, I understand the lock box for this year, and that money this year could not be used for anything else, but was it the intention of the Legislature that these were individuals who would be hired only for one year only to be let go in successive years because that money would not be considered part of the regular operating budget for full-time staffing?

MR. SABATINO:

But the Legislature can only budget a year at a time. We don't have two year budgets. So I think the lock-boxing of the money shows that there was a serious and concerted desire on the part of the Legislature to make sure that this initiative actually got implemented unlike previous initiatives that fall by the wayside. So lock-boxing the money was to ensure that the program got started.

The program got started and it's successful and it's working, you know, people will evaluate that when we move to the next budget cycle, but it would be unfair to say the Legislature adopted a budget initiative that went beyond one year. I mean, it just doesn't work that way as a matter of law, but what you can take from the lock box is that the Legislature considered hiring these people to be something of a higher priority than items that were not in the lock box and that would bode well for future consideration assuming that the program that was put in place, you know, actually was working successfully.

That's as far as we can go in terms of stating what the commitment was.

MS. SCHULER MAUK:

But would you also say that part of the commitment in having these twenty-one new faculty lines was to change the ratio between full-time and part-time faculty and that they felt that this was a policy issue that they were stating so that again, that you would be continuing that kind of ratio full-time to part-time faculty and not just have it for one year to be withdrawn by next year?

MR. SABATINO:

That's correct from the theory that was behind it. As a matter of law, you know, I can't say that there was that ratio that was adopted because the ratio that was proposed the year before was vetoed and it

was never overridden. So as a matter of law, I can only speak in terms of matter of law, the ratio is not on the books, the black box is. But you're correct in saying that the theory behind the black box arose out of the ratio concept, and I think it would bode well for the future, but that's as far as that resolution can speak. It can only speak in terms of the budget cycle and the budget year that it was approved for.

CHAIRMAN CARACCILO:

So it's an annual -- it's going to adjust or fluctuate on an annual basis.

MS. SCHULER MAUK:

All right. Well, I mean, I, you know --

CHAIRMAN CARACCILO:

-- that's important for you to know and it's important for your members to know when they take a position that it's not a guarantee that they're -- while they may start out on a tenure track, tenure is what, three years?

MS. SCHULER MAUK:

No, tenure is -- it comes in the sixth year.

CHAIRMAN CARACCILO:

Sixth year.

MS. SCHULER MAUK:

But I have to -- you know, I have to mention this, that if that really is the intent, then there's no point in the college doing national searches for faculty. In the group of people who came to the college last year we had people moving from San Francisco, from Upstate New York, from the midwest. We had people coming out of full-time jobs to come to Suffolk County College. And if we're talking about only a one year commitment, then we should not be giving a false advertisement saying these are tenure track lines which suggest something different, that unless there is a major change in the budgetary, you know, in the budget flow that these positions will not be there in successive years.

I mean, these individuals right now are saying, you know, well obviously I should go out in the job market. Although, in higher education when you go out into the job market you should be going out in October because positions are being filled at this point in time. Then -- for instance, people who move their families, relocated, bought housing -- in other words, there basically are no assurances. Although they've lived up to their end of the bargain in that they have come through evaluation procedures, they've found to be very good first year people, and I could go down the resume of every single one of these individuals who have been really incredible star performers.

We were able to really get, you know, the cream of the crop in terms of our searches last year. If the case is that these people are guaranteed no more than a one year job, we can't in good conscience, we can't morally go out and suggest to people, come relocate and take a job, because it may not be here the next year, and I think that's something that the full Legislature probably has to consider in terms of dealing with it.

I mean, when I heard the lock box -- and because of the statements that went behind creating that for this year, again, it was my

assumption, and I would venture to say it was probably the college's assumption that the money would be there in future years, you know, unless there was some sort of catastrophic downturn.

So I think that we have, you know, we probably have a major issue that we have to deal with.

CHAIRMAN CARACCIOLO:

To your knowledge Ellen, were any of these prospects, now employees, told that they would have employment more than one year?

MS. SCHULER MAUK:

They were given one year term appointments, which are different than one year temporary appointments. Term appointments suggest that you're being hired onto a full-time faculty and the term "term appointments" is not unique to Suffolk Community College. It's used all over in higher education and probably K-12 as well.

Term appointment suggests that if you have met your obligations, if you are a satisfactory performer, if you are recommended to be rehired for next year that you will continue up until reaching tenure at which point there will be a separate evaluation as to whether the college wants to continue you on a continuing basis. That is a very different kind of thing than a temporary appointment, which is intended only to be for a temporary duration, usually for one year, for six months, sometimes it's to deal with an unanticipated vacancy either, you know, death, or illness or whatever it is.

So the terminology is very different. Were they guaranteed that they would be here, you know, for five years? No. But if they met their part of the bargain --

CHAIRMAN CARACCIOLO:

I understand.

MS. SCHULER MAUK:

-- that they were good stellar performers, they could anticipate it.

CHAIRMAN CARACCIOLO:

I understand. Counsel, would you have any suggestions to address this issue that the Legislature could consider?

MR. SABATINO:

There's no legal mechanism unless you were to go back to Legislation that would establish a ratio and codify that in law that they'll be a permanent ratio of faculty to students. But I believe that that proposal from '99 was adopted and vetoed and the veto was sustained. In the absence of codification of a ratio it's no different than anything else in any of the operating budgets, which is that your susceptible to the vagaries of a year to year process whether it's economic circumstances or tax bases or enrollment or other external forces, it is a year to year cycle.

But I do believe that the lock box language was significant from the standpoint that it expressed a very strong opinion on the part of the County Legislature that they felt starting this program with these people was so important that the money would be basically segregated and allocated only for that purpose. I would take that as being a very strong signal. Certainly, a good faith statement that this program is considered to be a high priority. But that's as far as I can go from the standpoint of stating what the commitment is.

It's a good faith strong statement and expression of getting this

program to work, but it's not legally binding beyond the budget cycle.

CHAIRMAN CARACCILO:

Final point, if I may, is since we had requested and budgeted twenty-one positions and only sixteen were filled -- is that what I heard you say?

MS. SCHULER MAUK:

Right.

CHAIRMAN CARACCILO:

What recourse or redress do we have in terms of going forward to make sure that when we indicate or specify a number to be hired that that number is actually hired? I mean, unless, as you pointed out the vagaries of it are such that you can't justify hiring five additional people than you need.

MS. SCHULER MAUK:

Michael, if I just might address that. When the issue came up before the College Board of Trustees that they wanted to go ahead with sixteen. They had sixteen slots that were ready come September, and they indicated that they would hold off on the other five until the spring semester, but again seeing how the budget would work out. Obviously giving some of the budget concerns that they experienced they felt that they could not go forward with an additional five although the Board of Trustees did indicate a willingness that if there was money in the budget that could continue, that they would, you know, honor the full commitment. If was not that they wanted to use that money for something else, but I mean, it was -- you know, part of it was a kind of a --

CHAIRMAN CARACCILO:

Okay. So you're satisfied that they have good intentions, they had good intentions?

MS. SCHULER MAUK:

Yes.

CHAIRMAN CARACCILO:

Very good. Okay. That concludes this. We've run a little bit over. I thank everyone for their participation and look forward to seeing the college representatives again May 2nd. Thank you.

(*The meeting was adjourned at 11:34 A.M.*)

Legislator Michael Caracciolo, Chairman
Finance & Financial Services Committee